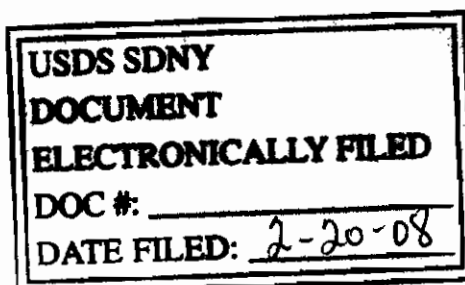


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MEMO ENDORSED

February 19, 2008

BY HAND

Hon. P. Kevin Castel, U.S.D.J.
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St., Room 2260
New York, NY 10007

FEB 20 2008

**Re: In re Tarragon Corporation Securities
Litigation., Case No. 07 Civ 7972 (PKC)**

Dear Judge Castel:

This firm represents defendants Tarragon Corporation ("Tarragon"), William S. Friedman, Robert P. Rothenberg, Erin Davis Pickens, and Beachwold, L.P. (collectively, "the Tarragon Defendants") in the above-referenced action.

We write pursuant to Rule 2.A. of your Honor's Individual Rules of Practice to request the scheduling of a pre-motion conference or, in the alternative, that the requirement for a pre-motion conference be waived. The Tarragon Defendants intend to move to dismiss the Amended Class Action Complaint pursuant to Fed. R. Civ. P. 9(b) and 12(b)(6) and the Private Securities Litigation Reform Act ("PSLRA"), 15 U.S.C. §78u-4.

Background

Beginning in September 2007, several putative securities class actions were filed against the Tarragon Defendants alleging violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. On December 6, 2007, the Court entered a Memorandum and Order that consolidated the several class action complaints and appointed Paul Berger as Lead Plaintiff. In that Order, the Court granted Plaintiff Berger leave to file an amended complaint by January 18, 2008 and adjourned defendants' time to answer or move until 45 days after the filing of an amended complaint.

On January 18, 2008, Lead Plaintiff Berger filed the Amended Class Action Complaint and added Grant Thornton LLP ("Grant Thornton"), Tarragon's independent auditor, as an additional defendant. On February 5, 2008, the Court memo endorsed a letter request from this firm dated January 30, 2008, adjourning the Initial Pretrial Conference from February 8, 2008 to June 13, 2008. On February 7, 2008, Plaintiff served Grant Thornton.

Basis for Motion to Dismiss

The Tarragon Defendants' motion to dismiss is based on Plaintiff's failure to satisfy the pleading requirements of Fed. R. Civ. P. 9(b) and the PSLRA. Specifically, with respect to Plaintiff's claim under Section 10(b) of the Exchange Act, Plaintiff has failed to allege particularized facts showing that any of the Tarragon Defendants acted with scienter with respect to any of the alleged misstatements in the Amended Class Action Complaint. In addition, Plaintiff has also failed to allege loss causation with respect to much of the decline of Tarragon's stock price during the class period.

With respect to Plaintiff's claim under Section 20(a) of the Exchange Act, Plaintiff's claim should be dismissed because: (i) Plaintiff has not pleaded an underlying violation of the Exchange Act by Tarragon; (ii) Plaintiff has failed to plead facts showing that either Section 20(a) defendant was a culpable participant in any securities fraud; and (iii) with respect to Beachwold Partners, L.P. ("Beachwold"), Plaintiff has failed to plead facts showing that Beachwold was a control person with respect to Tarragon Corporation.

Request for Pre-Motion Conference

Based on discussions with counsel to Grant Thornton, we understand that Grant Thornton has been instructed by chambers to write a letter to the Court requesting a pre-motion conference for a motion to dismiss the complaint. We also understand that the Court has indicated to Grant Thornton's counsel that a pre-motion conference could be held on June 13, 2008 (the date of the Initial Pretrial Conference).

While our January 30, 2008 letter to the Court referred to our intention to move to dismiss the complaint as against the Tarragon Defendants, a pre-motion conference with respect to the Tarragon Defendants' motion to dismiss has not yet been held. Because such conferences are required by your Honor's rules, we write now to request that such a conference be scheduled, or, in the alternative, that the pre-motion conference requirement be waived.

The Court's December 6, 2007 Order requires the Tarragon Defendants to answer Amended Class Action Complaint or file a responsive motion within 45 days of the filing of the amended complaint. We are prepared to file our motion to dismiss by March 3, 2008, although we recognize that the Court may prefer to set a combined briefing schedule for all of the defendants' motions to dismiss.

We are available to attend a pre-motion conference at the Court's convenience.

Respectfully,



Eliot Lauer

cc: Jeffrey Abraham, Esq. (via email)
Bradley E. Lerman, Esq. (via email)

*Time to respond to complaint
extended to April 4. Pre-motion
conference is waived. Motion to be
filed by April 4, 2008, answering
papers are due May 16; reply-
papers are due June 6. I
do not anticipate granting
further adjournments of this
schedule.*

*SO ORDERED.
P. Kevin Castel, U.S.D.J.
2-20-08*